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C O N F I D E N T I A L SECTION 01 OF 03 ABU DHABI 001724

STPDTS

STATE FOR NEA/FO, NEA/ARPI, S/CT, INR/NESA NSC FOR FTOWNSEND, MMALVESTI COMMERCE FOR U/S DMCCORMICK STATE PASS USTR FOR SDONNELLY, DBELL

E.O. 12958: DECL: 04/29/2016
TAGS: PTER PINS EPET ETTC MCAP IR AE IO
SUBJECT: TOWNSEND DISCUSSES REGIONAL STABILITY,
COUNTERTERRORISM WITH ABU DHABI CROWN PRINCE

Classified By: Ambassador Michele J. Sison, for reasons 1.4 b and d.

- 11. (C) Summary. During an April 22 lunch meeting with Frances Fragos Townsend, Assistant to the President for Homeland Security and Counterterrorism (APHSCT), and Abu Dhabi Crown Prince Mohammed bin Zayed Al Nahyan (MbZ), Townsend and MbZ discussed counterterrorism cooperation. Townsend stressed the importance of investigating counterterror cases fully, and not simply deporting suspects. When asked by Townsend, MbZ stated that he is concerned about UAE oil infrastructure vulnerability. He also noted his concern about the influence of the Muslim Brotherhood in the UAE, particularly after the Hamas electoral victory in the Palestinian territories. MbZ claimed that if elections were held in Dubai "tomorrow" he thought the Muslim Brotherhood would win. Townsend discussed the USG's concern with the low number of favorable post shipment verification checks, and Foreign Minister Abdullah bin Zayed (AbZ -- who was also at the meeting) assured Townsend that the UAEG would soon issue an export control law. MbZ stated that he is not optimistic about the political process in Iraq, and that he is not confident in the Prime-Minister designate Jawad Al Maliki. He also stated that he worries that Iran continues to meddle in the Iraqi's affairs. End summary.
- 12. (U) On April 22, APHSCT Townsend and Ambassador had lunch in a local restaurant with MbZ, AbZ, Director Military Intelligence Brigadier General Essa Al Mazrouei, and MbZ's International Affairs Director Yousef Al Otaiba. Townsend was accompanied by NSC Senior Director for Combating Terrorism Michele Malvesti and APHSCT Aide Michael Taylor.

Dubai Ports World Aftermath

13. (C) APHSCT Townsend thanked MbZ and AbZ for the UAEG's patience and understanding during the Dubai Ports World scandal. She said that the "friendship and strength" of the bilateral relationship during the furor over the ports deal "spoke volumes" to President Bush. MbZ appreciated Townsend's words and told her that the UAE has learned some lessons from the episode. He said that the UAE's consultants are partly to blame for letting the controversy get so out of hand. He also said that it reinforced in his mind the importance of focusing on the long-term U.S.-UAE cooperation. As an aside, MbZ observed that the DPW scandal has made the Saudis nervous, because the extent of their U.S.-based investments.

Oil Infrastructure Security, CT Efforts

- 14. (C) APHSCT Townsend asked MbZ if the UAE was worried about its oil infrastructure. MbZ responded emphatically, "absolutely." He told Townsend that there are three international companies currently conducting risk assessments of the UAE oil infrastructure and maritime security for the UAEG. Townsend offered U.S. assistance in helping the UAE to reduce its vulnerability. MbZ asked the USG to notify him of any concerns about specific locations. "We are learning now (about how to address our vulnerabilities), but we have to be one step ahead. We worry that right now the terrorists are one step ahead."
- 15. (C) Townsend and Ambassador discussed with MbZ the proposed U.S.-UAE Cash Courier operation that Ambassador and Embassy's DHS ICE attache proposed on April 19 to Sultan Bin Sulayem, Executive Chairman of Dubai Ports, Customs, and Free Zone Corporation. MbZ nodded his approval of the concept. Ambassador also mentioned Treasury Under Secretary Stuart Levey's upcoming visit on April 29-May 1. She thanked MbZ for the UAE's engagement and participation in the Joint Terrorist Finance Coordinating Committee, which she noted would be meeting on April 30. MbZ agreed that the committee is important, and he noted that Central Bank Governor Sultan Nasser Al Suweidi was in Washington that week and had met with U/S Levey the previous day.
- 16. (C) In a private discussion between Townsend and MbZ,

Townsend told MbZ that the USG was concerned about the UAEG's tendency to simply deport extremists and suspected terrorists -- instead of fully investigating them. Townsend stressed the importance of conducting full investigations and of sharing the results of those investigations with the USG. (Note: MbZ and Townsend discussed other counterterrorism cooperation issues that will be reported via separate channels. End note.)

Countering the Muslim Brotherhood

- 17. (C) Turning to a discussion of the recent Hamas electoral victory in the Palestinian territories, MbZ said that the UAE "felt the Muslim Brotherhood (MB) rally behind Hamas after the election." He said that the Hamas victory should be a lesson to the West. "The West is telling us to open up and have elections, but if we were to have an election in Dubai tomorrow, the Muslim Brotherhood would take over." Al Otaiba agreed, noting that the MB is the "most organized." "We have to take time to make democracy so we are sure we do not have a democracy with someone like Iranian president Ahmadinejad." MbZ opined that the challenge is to find a way to "take them (the MB) down in a way that they never come back," and he said that a key component to this involves reforming the education system (which he said was penetrated by the MB in the late 1960's).
- 18. (C) AbZ mentioned that the local Al Arabiyya television station had aired a Saudi show on the history of the MB and extremism the previous evening. In an interesting interaction between the two brothers, MbZ "quizzed" AbZ on the reason for the show. AbZ and MbZ discussed that the show had been produced to show that the problem of extremism was not indigenous to Saudi Arabia, but rather that it stemmed from Egypt's Nasserism. MbZ smiled and said that he looks to AbZ to handle the UAE's relationship with the Saudis.

MbZ: Glum Outlook on Iraq, Iranian Meddling

- 19. (C) During a discussion of the Iraqi political process, MbZ stated that he has "no confidence" in the new Iraqi Prime Minister-designate, Jawad Al Maliki. "We worry about the new government. We have to live with it for the next four years, and if we do not start out on the right foot, then we have to start over." Although he is "not optimistic" about the future of Iraq's political process right now, he said he will refrain from judging until the entire government is formed. He told Townsend, "the Iraqis need someone who understands the Iraqi's interests" and that if Maliki is "on the Iranian's side there will be problems." MbZ also said he thinks the British made a mistake in the south of Iraq by advocating for Sistani, because he does not believe Iraq will be able to have a successful political system with "someone like Sistani."
- 110. (C) MbZ stated his belief that the Iranians will try to gain from the electoral process in Iraq. "Iranians know how to play the game. They are smart and very patient. They have a strategy in Iraq." He anticipates that Iran will never let Iraq out of its influence, and he said that that the Iranians are "betting" that the U.S. will not do anything about their meddling in Iraq.

Iran and Export Controls

111. (C) Turning to a discussion of Iran's nuclear ambitions, MbZ noted that the Iranians think that the U.S. will also not do anything about their recent declaration that they have successfully enriched uranium. "I think they are wrong. I think I know that if your President sees danger, he will take action." Stating that Iran has been trying to acquire a nuclear capability for years, he observed "we see the real face of the regime in Ahmadinejad." MbZ also observed that the Iranians are "playing a dirty game" with Russia and

112. (C) APHSCT Townsend told MbZ that the USG is concerned about the low percentage of "favorable" Department of Commerce's Bureau of Industry and Security post shipment verifications. Informing him that the international average is 90% favorable, she said that the UAE only has a 55% favorable rating (with 20% unfavorable and 25% unverifiable). AbZ assured Townsend that the UAEG does not want Iran to take advantage of the UAE's open trading environment. He said the UAE was in the final stages of ratifying its export control law and that it would be announced "soon." He also mentioned that the UAE had just endorsed the Proliferation Security Initiative's Statement of Interdiction Principles (PSI SOPs). (Note: In a sidebar discussion, AbZ told Ambassador that the USE could tell the other Gulf adherent to the PSI SOPs that the UAE had submitted a "silent endorsement" (septel). End note.)

- 113. (C) At MbZ's request, AbZ briefed Townsend on the status of the U.S./UAE Free Trade Negotiations (FTA). AbZ told Townsend that there have been a "few bottlenecks" in the talks, "especially on oil and gas." He said "if we end up with no FTA, oil and gas will be the main reason...The UAE has been as cooperative and as creative as possible, but this issue is very serious for our national security." AbZ noted that the U.S./UAE negotiations are the first between the U.S. and a major OPEC exporter, and he said that he anticipates this problem will be an issue in other countries. (Note: AbZ told the Ambassador in an aside, "if the U.S. cannot sign an FTA with the UAE, you will never get one with Qatar, Kuwait, or Saudi Arabia." End note.)
- 114. (C) AbZ also said that as a result of the Dubai Ports World episode, the private sector is now "trying to push the FTA away." Recounting a recent meeting between UAE Minister of Economy Sheikha Lubna al-Qasimi and all of the UAE Chambers of Commerce, AbZ said that the UAE business community was "trying to make use of the DPW fiasco as the basis for claiming that a U.S./UAE Free Trade Agreement (FTA) will hurt the UAE business community." In response to Townsend's question about how to move past this, Al Otaiba said that they need to be able to show the average UAE citizen some tangible benefits from the agreement. Turning to a discussion of the Arab League Primary Boycott, AbZ told Townsend that the general public does not understand why trade with Israel has anything to do with an FTA, but he noted his personal belief that the FTA process could be a good way for the UAE to lift its ban against trade with Israel.
- $\P15$. (U) This cable was cleared by APHSCT Townsend. SISON